

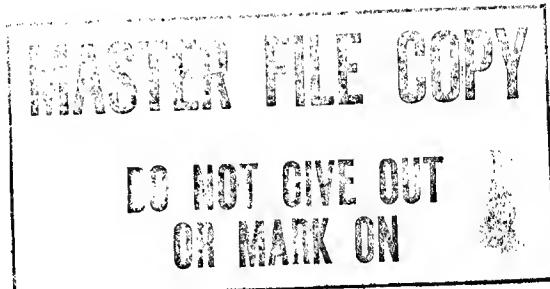
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National Intelligence Estimate

# The Outlook for Cyprus

Key Judgments



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**THE OUTLOOK FOR CYPRUS**

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INTELLIGENCE.

THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS,  
EXCEPT AS NOTED IN THE TEXT.

*The following intelligence organizations participated in the preparation of the Estimate:*

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organization of the Department of State.

*Also Participating:*

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Director of Intelligence, Headquarters, Marine Corps

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## KEY JUDGMENTS

In the wake of the Turkish Cypriot declaration of independence, Cyprus now faces the likelihood of permanent partition. There is a good chance that a new initiative by the UN Secretary General this summer will fail to achieve a resumption of the intercommunal talks, leaving the two parties more firmly deadlocked than they now are and further increasing the level of tension. Thus, we believe the chances of a military confrontation on the island are greater now than at any time since the Turkish invasion of the island a decade ago. Despite the inherent instability of the situation, both sides appear willing to exploit their political options for the time being. However, the continued lack of flexibility in the positions of both sides makes military confrontation increasingly possible, although we believe the chances are better than even that fighting will not erupt within the six- to 12-month range of this Estimate. Conflict on the island also threatens to set off a wider war between Greece and Turkey that would have serious consequences for US and NATO interests in the area.

The current tensions have been building for at least 30 years. Since the island gained its independence from the United Kingdom in 1960 following a long and bloody struggle, the Greek Cypriot majority (78 percent of the population) and the Turkish Cypriot minority (18 percent of the population) have been at odds over their respective roles in the governing of the island. The issues dividing the Greek and Turkish Cypriots are numerous and complex, but ultimately they all revolve around the struggle between the Greek Cypriot desire for majority rule and the Turkish Cypriot concern for security. The Greek Cypriots believe any just settlement must take into account their position as the numerically larger community, and they argue that in a future federal state, the allocation of territory and the distribution of political power must reflect the population balance. The Turkish Cypriots insist that a fair settlement must protect them from what they view as a hostile majority. Thus, they argue for a physically secure, economically viable territory in which they exercise complete control over their own internal affairs.

This spring's UN Security Council debate and resolution appear to have only hardened the positions of both sides and rendered even more difficult the good-offices role of the Secretary General in seeking a resumption of the intercommunal dialogue. We believe that, even if

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talks resume, the present constellation of political forces and attitudes makes a political settlement unlikely, at least in the near term. In this regard, we believe that the Turkish Cypriot position would be even firmer than before the talks were aborted in May 1983. The Greek Cypriots have shown some give in recent months. But, frustrated by their inability to stem Turkish Cypriot moves to consolidate independence, they also may ultimately become much less flexible. Nevertheless, we believe that a resumption of talks would reduce frustrations on the Greek side, thus helping to keep the Cyprus problem in the political rather than the military arena.

Domestic political imperatives in the two Cypriot communities—stemming from their strategic and ethnic interests—will continue to complicate the search for a settlement. The Turkish Cypriots are strongly united on either achieving equal political status with the Greek Cypriots or, failing that, maintaining their independence. Thus, Turkish Cypriot leader Denktash is unlikely to make the kinds of compromises necessary to resume the dialogue. On the other hand, political rivalry among the Greek Cypriots is strong, and Cypriot President Kyprianou must contend with moderate and hardline critics who charge him with mismanaging the problem. We believe that he will come under increasing domestic pressure to demonstrate progress toward a settlement or, if the slide toward permanent partition continues, to adopt punitive measures against the north. Both protagonists on the island have exhibited personality traits—Kyprianou's cautiousness and Denktash's stubbornness—that make compromise difficult.

Ankara's leverage with the Turkish Cypriots makes Turkey a key factor in resuming the dialogue and in fashioning any settlement. In addition to ensuring the safety of the Turkish Cypriot community with a large contingent of Turkish forces, Ankara continues to provide Denktash's internationally unrecognized "state" with its only formal diplomatic representation. Moreover, the Turkish Cypriot "state" is almost totally dependent on Turkey politically, militarily, and economically, with Ankara subsidizing, for example, a substantial portion of its annual budget. In our judgment, however, the domestic and foreign policy equities on Cyprus are too high for Ankara to change course for any reason at this juncture.

An alternative view holds that, although it appears extensive, Ankara's leverage is insufficient to force a settlement on the Turkish Cypriots. No Turkish government could take the domestic political risk of appearing to abandon the Turkish Cypriots or key Turkish strategic interests on the island. Moreover, the Turks fully share fundamental Turkish Cypriot conditions for a settlement. Outside pressure—for example, linking military aid for Turkey to progress on Cyprus—to

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force concessions from the Turkish side will only harden Ankara's position. While the Turks have occasionally pressed the Turkish Cypriots to moderate their position on secondary or procedural issues, this has been done primarily for tactical reasons.<sup>1</sup>

Athens's influence over the Greek Cypriots is less dominating. The Government of Cyprus, for example, is not dependent on Greece for economic support. Cyprus remains, however, a highly emotional issue in mainland Greek politics. Moreover, the Greeks play a significant role in Cypriot defense, and Greek Prime Minister Papandreu has made Cyprus a top priority while playing a more visible role on the issue than his immediate predecessors. The Greek Cypriots, for their part, coordinate policy with Athens but generally take the lead in formulating their position toward negotiations and in developing an international strategy.

An alternative view holds that the preceding discussion underestimates the continued lack of political will for a solution on the part of all parties—not only Turks and Turkish Cypriots, but Greeks and Greek Cypriots as well. Athens exercises a strong influence over Greek Cypriot policy, and Prime Minister Papandreu's generally hard-line approach on Cyprus is a significant, at times decisive, deterrent to the possibility of Greek Cypriot flexibility. In this respect, neither Ankara nor Athens is now prepared to prod its coethnic Cypriot community towards the compromises necessary to achieve a solution.<sup>2</sup>

Recurrent Greek threats to send a significant number of additional troops to the island seem designed primarily to goad the West into more active measures either to reverse the Turkish Cypriot declaration of independence or to halt efforts to consolidate it and to respond to domestic needs. We believe, however, that Athens—with Nicosia's approval—would be tempted to resort to such action should diplomatic efforts fail. The chances of a Greek military move of this nature would increase sharply, for example, if the Turks and Turkish Cypriots settle all or part of the resort town of Varosha or move to restrict or expel the UN force on Cyprus when its mandate expires in December of this year. Either development could prompt Athens to reinforce Greek forces on the island and/or step up military activity in the Aegean. The Greek Cypriots could also increase pressure on the Turkish side by the curtailment of water, electricity, and other services to northern Cyprus, but such action would probably provoke a strong Turkish response. In this atmosphere of growing confrontation, it would not take much to spark hostilities between Greece and Turkey.

<sup>1</sup> The holders of this view are the Director, Defense Intelligence Agency and the intelligence organizations of the Army, the Navy, the Air Force, and the Marine Corps.

<sup>2</sup> The holder of this view is the Director, Bureau of Intelligence and Research, Department of State.

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The Turks would almost certainly prevail in any military conflict that erupted on Cyprus and remained confined to the island. They have a clear-cut advantage in numbers, training, and equipment over the Cypriot National Guard (CNG). The island's proximity to Turkey would also give the Turks an advantage in reinforcing their units. The military disparity between the two sides on the island, however, has narrowed. The CNG has undertaken a vigorous arms modernization program that has left it better equipped and better trained to fight a defensive war than it was in 1974. But its ability to engage in offensive operations has not changed markedly. It still has no tanks and is dependent on Greece for air and naval support. Should Cyprus be the scene of an initial Greek-Turkish military clash, Athens could take compensatory action in the Aegean, where the balance of air and naval forces would marginally favor the Greeks. (See annex A for a discussion of conflict scenarios.)

An alternative view holds that the narrowing military disparity between the two sides on Cyprus has potentially more serious ramifications than those stated above: the CNG, in addition to improving its defensive capabilities, is enhancing its ability to carry out limited offensive operations. For example, as its frustration grows, the Greek side—emboldened by its improved military posture—might risk military ventures, such as trying to seize a small portion of Turkish Cypriot territory. The Greeks and Greek Cypriots might hope that such a move would provoke speedy Western diplomatic intervention to force Ankara into major concessions and head off a possible Turkish counterstrike. At the least, the CNG buildup will make the Greek side less likely to avoid an armed confrontation in a rapidly escalating crisis.<sup>3</sup>

Moscow, which exercises its interest mainly through the powerful Greek Cypriot Communist Party (AKEL), no doubt benefits from strained relations between two NATO allies and Washington, disruption of NATO command and control arrangements in the Aegean, preservation of Soviet access to the Mediterranean, and the denial of Cypriot facilities to additional Western forces. Nevertheless, the Soviets currently appear to prefer resumed negotiations leading to a settlement of the Cyprus problem and the reestablishment of an independent, non-aligned, unified Cyprus. The Soviets are worried that the island is drifting toward permanent partition between two NATO members and absorption of one or both of the island's constituent parts into the Alliance structure. Hence, Moscow currently advocates resumption of intercommunal negotiations. For these reasons, we do not believe the Soviets would welcome escalation to military conflict.

<sup>3</sup> The holders of this view are the Director, Defense Intelligence Agency, and the intelligence organizations of the Army, the Navy, the Air Force, and the Marine Corps.

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The Cyprus dispute will continue to complicate US relations with both Greece and Turkey. Each side believes that the United States can use its influence to elicit concession or compromise from the other. Athens has been critical of the United States for not withholding security assistance from Turkey to force concessions. On the other hand, Turkey has made it clear that it believes the United States has put unacceptable pressure on it with this tool. Both Greeks and Turks, moreover, increasingly view US actions—or inaction—on Cyprus as reflections of more general US attitudes toward Athens and Ankara. A further escalation of tensions—particularly if it extended to military conflict—could lead both Greece and Turkey to reassess their ties to the United States and NATO.

Finally, we believe that a clash between Greece and Turkey could have more severe consequences for US and NATO interests than those in 1974 when, in the aftermath of the Turkish invasion of Cyprus, Greece withdrew from NATO's military wing, Turkey restricted access to US military [redacted] facilities, and both countries demanded renegotiation of their respective base agreements with Washington. Even if conflict in the Aegean did not prompt either party to sever its NATO ties, it would postpone indefinitely any hope of resolving Greek-Turkish differences over the allocation of NATO command and control responsibilities in the area and the establishment of a NATO command at Larisa on the Greek mainland.

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